

METROPOLITAN TRANSIT COMMISSION
Meeting Summary
September 23, 2009

DISCUSSION SUMMARY

Presiding: Mayor Patrick McCrory (Charlotte)

Present: Curt Walton (Charlotte City Manager)
Amy Aussieker (CTAG Co-chair)
Jerry Fox (CTAG Co-chair)
Rick Sanderson (TSAC Acting Chair)
Jennifer Roberts (Chair, Mecklenburg County Commission)
Bobbie Shields (Mecklenburg County Assistant County Manager)
John Collett (NCDOT Representative)
Sarah Nuckles (SCDOT Representative)
Mayor Jeff Tarte (Cornelius)
Anthony Roberts (Cornelius Town Manager)
Mayor John Woods (Davidson)
Leamon Brice (Davidson Town Manager)
Mayor Jill Swain (Huntersville)
Mayor Lee Myers (Matthews)
Ralph Messera (Matthews)
Brian Welch (Mint Hill Town Manager)
Mayor George Fowler (Pineville)
Mike Rose (Pineville Town Administrator)

Interim Chief Executive Officer: John Muth

I. Call to Order

The regular meeting of the Metropolitan Transit Commission was called to order at 5:35 pm by Mayor Lee Myers for MTC's Chairperson, Mayor Patrick McCrory, who joined the meeting later.

II. Review of Meeting Summary

The August 26, 2009 meeting summary was approved as written.

III. Transit Services Advisory Committee Chair's Report

Rick Sanderson

Mr. Sanderson reported that TSAC met on September 10. CATS staff gave the presentation on the CATS budget that is being presented to the public in meetings around the county. TSAC members also discussed revisions to the bylaws and term limits. TSAC supports the revisions including the caveat for term limits that the appointing body may appoint members to additional terms on a case by case basis. The next meeting of TSAC will be on October 8.

IV. Citizens Transit Advisory Group Chair's Report

Amy Aussieker

Ms. Aussieker said that CTAG welcomed two new members at the September 15 meeting, Sam Spencer for CMS and Todd Steiss from Huntersville. CTAG discussed the proposed bylaws changes and recommended adopting a uniform attendance policy, and that each body adopts its

own term limits. CTAG also heard the budget presentation. CTAG's next meeting will be in November.

V. Public Comment on Agenda Items

None.

VI. Action Items

a. Federal Legislative Agenda

John Muth

Mayor McCrory introduced Mr. Muth to discuss the MTC legislative priorities for 2010 and 2011. Mr. Muth reminded MTC members of Jeff Boothe's August presentation on legislative priorities and how to approach the Federal legislative agenda. The Northeast Corridor has received funding; currently, the Senate version of the bill includes \$24 million for the Northeast Corridor. CATS plans to pursue a larger Federal share for the Northeast Corridor, and has a goal to move to the next step in the Federal pipeline by entering Final Design in 2011. Mr. Muth reminded MTC members that the North Corridor is not approved for Preliminary Engineering nor is it in the New Starts pipeline. It would be considered a New Starts project since the cost exceeds \$250 million. Mr. Muth said that the focus of our lobbying efforts should be to support the House Transportation and Infrastructure bill that will eliminate cost effectiveness, and to support making changes to the New Starts Alternatives Analysis. In terms of Small Starts, we should support raising the Federal limit to \$100 million and removing the cost cap so commuter rail could potentially qualify for a Small Starts project, and ensure that the project is included in the Surface Transportation bill. Similar circumstances exist for the Streetcar project, which would be considered a New Start and not a Small Start due to its cost. CATS staff recommends that the MTC establish the legislative priorities for 2010 and 2011. At this time, the Blue Line Extension (BLE) is the only project currently approved in the New Starts pipeline, so we should continue our Federal requests on its behalf. We should work to include all our 2030 Plan projects in the next Surface Transportation bill, and actively support the proposed changes to the House Transportation and Infrastructure bill, so the commuter rail project and Streetcar project can compete for funds. At the State level, the MTC should direct its efforts to obtain adequate state funding for all projects. Mr. Muth said that CATS staff also recommends researching ways to increase sources of local funding, and encourages MTC members to work to include Mecklenburg County in House Bill 148.

Mr. Muth said that legislative priorities should be the focus of tonight's action. We can work to put together a work plan for the North Corridor. Issues associated with work tasks for specific corridors and overall corridor prioritization can be discussed in the upcoming months.

Discussion: Mayor McCrory asked if there were questions or comments, and said that it will be important to have a consistent message to the Federal government, and a united front in this effort. Mayor Woods said that the Towns have not had a chance to look at it and are not ready to proceed. Mayor Jill Swain agreed that no one had a chance to discuss it. Mayor Woods asked if the item could be deferred until MTC members have had a chance to discuss the action with managers and staff. Mayor Swain said that she had been honored when Mayor McCrory spoke at her transit summit last week with the Secretary of Transportation and business leaders. Mayor McCrory's comment that things are always changing and you always have to re-evaluate the plan made a huge impact on her. She has

heard from mayors all over the country that things are changing with regard to transportation. US Secretary of Transportation LaHood recently said that the current system does not work and we need to continue to develop mass transit. At the mayor's conference, Mayor Swain heard a gentleman from Intergovernmental Affairs at the White House, who said that they are hearing from mayors across the country that if we want to build a top-notch transportation system, we have to re-evaluate how we do that now. Mayor Swain said that we as a group need to talk about what our vision is. We need to be ready for unique types of funding, and not simply focus on the Federal funding apparatus. Mayor Swain said that she did not want this to be a matter of the "north mayors;" the MTC is a body that oversees the entire system, and that is what we need to be doing now. Commissioner Roberts said that she had a question about the Small Starts program and the North Corridor in conjunction with the concerns that we may not be looking at all the options. She asked whether there is a pared-down version of commuter rail that would qualify for Small Starts, and the cost requirements. Mr. Muth said that the maximum Federal aid was around \$75 million, with a total project cost cap of \$250 million. Commissioner Roberts said that there are some unanswered questions, and we need to take the bigger picture into account, and she is open to more conversation. She also asked if there is any danger in not moving forward at this time. Mr. Muth said the focus now was on obtaining the \$24 million that was included in the bill. Mr. Muth said that he and CATS lobbyists were able to talk with the North Carolina delegation in Washington recently on some of the issues in the action item tonight.

Mayor Swain said that she thought there will also be creative opportunities for funding transit. She asked if it is possible to obtain funds from HUD if there will be sufficient development along a rail line. Mayor Swain said that she did not think that deferring this so the Towns could talk about it among their groups would preclude moving forward with the action item at a later date, or with continuing the efforts they have already made. She would like to allow the mayors and managers and all parties involved to have more time to look at it. Mayor Swain emphasized that she felt the document needed to be strengthened. Mayor Myers said that he was not sure that Mr. Muth had answered the question of whether any current projects would be adversely affected if the action item was not adopted tonight. Mr. Muth said that he did not think it would hurt any projects if it was not adopted tonight. Mayor Myers said there were some issues that could be included in the legislative strategy, and some that should not be included. Mayor Myers said that we should be as clear and straightforward as possible. Some of the caveats in the document may not be necessary. Mayor Myers said that the MTC needed to be unanimous, having been a unified body from the beginning. He said that he would like to have the time to have staff review the information, and supported the motion to defer. Mayor McCrory indicated that Mayor Woods had made a motion to defer. Mayor Myers said the MTC members need to find out what they can do as a body to move things forward with the legislature. He stated that paper is nice, but going there in person is much more productive.

Mayor McCrory said that he would not be able to attend the next meeting, due to a scheduling conflict. He hoped that if the item was deferred that MTC members have an honest discussion of any issues. Mayor McCrory reminded MTC members not to forget the state. Mayor McCrory said that he was happy to have Governor Perdue's representative here tonight. He said that he thought we need to put into writing that if the Yadkin River Bridge project is not funded due to the requirement that the project be completed in four

years, he would highly recommend that we get in writing that the North Corridor is the State's second choice. The Yadkin River Bridge is a priority and should be the first choice, but it may not meet the requirement of the stimulus bill which states that projects be built within four years. Mayor McCrory would like an agreement with the governor that if the Yadkin River Bridge application fails due to technicalities, that the second choice is the North Corridor. Another point Mayor McCrory raised is that the City of Charlotte just hired a consultant for \$200,000 to help the City develop a plan to spend \$6 million of energy grant money. Mayor McCrory suggested that we put all the energy grants together from the region and put forward a transportation project instead of several little piecemeal projects. We already have the measurements on how transportation projects impact energy, air and the environment. Mayor Swain said that he is thinking outside the box. Mayor McCrory concurred, and said that he was finding that other cities are already putting those energy grant monies toward transportation. He felt that we should put this option on the table for each of the City Councils to decide. Mayor McCrory motioned that the MTC direct their City Councils and their managers to evaluate whether the energy grants can be directed to something that is already in place before we invent something new.

Mayor McCrory said that there are three mayors who were here at the MTC's beginning, the mayors of Matthews, Pineville, and Charlotte. He said that he would never forget signing the document, the historic first regional governance document. Mayor McCrory said that MTC members made some promises. The first was that we take politics out of the decision-making process for bus lines and routes, and where to put transit lines. We must develop a policy that allows the experts to tell us where to get the best bang for the buck. Mayor McCrory said that his original goal was to get a rail line to the Airport. Now that is the last line in the plan. The experts said that a rail line to the South should be the first project. Mayor McCrory said that he would have picked other lines over the South line, and said that he was proud of the MTC for saying that the numbers worked for the South Corridor and that was where the first line should go. The road discussions have gotten so political that we have lost the trust of the citizens. Mayor McCrory said he thought the MTC has not lost the citizens' trust on transit because it has taken the advice of the experts. He mentioned that he was surprised that the Charlotte City Council has learned to stay out of the bus route business, which was a huge leap for them.

The final thing Mayor McCrory wanted to encourage the MTC to do was to continue to talk as one group whether speaking with Raleigh, Washington, or constituents. In the past six months, he has seen little renegade individuals and groups break off and talk with Raleigh about themselves, their region, or their City Council district. He understands the urge, but it will cause confusion with our representatives, both in Raleigh and in Washington if we continue to do that. Some members of the City Council are pushing the Streetcar in Washington, and yet that was not MTC's vote to pursue Federal money for Streetcar. Members of our delegation put the Streetcar in the House bill. The Streetcar passed out of the House but not the Northeast line, which was the MTC's priority for Federal money. Mecklenburg got nothing out of the House. Mayor McCrory said that he appreciated that some of the MTC members made calls to our two Senators, and they included it in the bill.

Mayor McCrory asked Mr. Muth to provide direction on what the MTC needed to do this month to make sure the bill gets through Congress. MTC members are not getting direction on who is on the Conference legislative team in the House and Senate. Mayor McCrory said

that we had a slip-up here and he hoped it did not have negative results. He said that the region needs to speak as one voice during this very important time. Mayor McCrory said that we cannot afford to speak in more than one voice, including the Charlotte City Council. If individual areas lobby for various projects, he concluded, none of us will win and the region will lose.

Mayor McCrory said that he is getting calls from all over; this MTC is the role model for regional governance for the rest of the nation. He has received calls from Columbia, Tampa, Ft. Worth, Raleigh, and Nashville, all areas that want to go after Federal money and are interested to know how we do it. Every line we have in this region, the North line, the South line, and the Streetcar is competing with an individual line in Salt Lake City, Dallas, or Chicago. They are all thrown in one pot, and every line has to stand on its own. Mayor McCrory said that he could use the MTC's help to speak with his City Council. He failed in a veto and disagrees with the City Council's vote. He vetoed Streetcar not only because Charlotte does not have the money to build the line now, but because he is concerned that it is competing for Federal dollars. It is up to the MTC to speak for the region, and not each individual City Council. Mayor McCrory urged MTC members to tell the region what MTC's objectives are. Mayor McCrory concluded that there is a motion to defer the issue until the next meeting.

Mr. Collett commented that he has learned in his two months on the NCDOT Board of Transportation that when there is a controversy and political bodies in an area are not in sync, NCDOT staff prefer not to send money to that area, as many areas have needs. He said it is very important to know what the objective is when a region pursues funding with the State. Mr. Collett said that it is also important to be in accord with the State's priorities, as well as being in accord with your region's priorities politically. Mayor McCrory said that because of the City Council's vote, we may have to revisit some items. He felt that because of that vote, there could be members of the Charlotte City Council lobbying with the State on matters on which the MTC should be lobbying instead.

Commissioner Roberts said that she wanted to add insight to the Streetcar controversy. Every Council member she spoke with knew that Charlotte is a national model for transit. Because it is not a traditional transit market such as San Francisco or New York, Charlotte is an example of a heartland area that can be a success. We are aware of the importance of continuing the positive move forward to expand the system. Commissioner Roberts said that the City Council members with whom she spoke felt they were voting for a Preliminary Engineering study to try to get more details. The people she spoke with felt they were sending a positive signal to Washington, that Charlotte does not have the money to do something now, but we support transit and economic development. They felt that it was not an issue of competing, but showing support of transit at all levels, with the full knowledge that the funding is not in place. The members she spoke with on the Council were concerned that if the veto stood, Washington would think that Charlotte no longer strongly supports transit. Commissioner Roberts reiterated that she thought that people really thought they were sending a positive signal to Washington, even though money is tight. Commissioner Roberts concluded that Streetcar vote was not meant to be competition for the MTC's priorities. Mayor McCrory interjected, "But it is."

There was discussion about transit grants and energy grants. Mayor McCrory said that he learned at the Mayor's Conference that there are cities now that are using the energy grants for transportation, because they can prove that it has an impact on energy usage and the environment. He commented that one town is putting their funds towards Streetcar.

Mayor McCrory said that we have to prioritize projects. Mayor Swain said that she hoped that we could take away from this discussion that we have an enviable problem. There are so many areas that would like to have transit, and they believe it will be successful. We have a number of lines that are like that, and not a lot of communities can say that. Mayor McCrory said that when the region began this process, the political right did not want any part of it. They only wanted roads. Mayor McCrory thought they were dead wrong. He thinks the political left is dead wrong if they say that we should put transit everywhere now, in fairness. The concept of fairness is not logical in this matter.

Mayor Woods said that he thought we needed to take the CATS professional staff and cut them loose to think outside the box on all the projects. Given the great need for transit in the region, it is not satisfactory to develop only one large project in ten years, and possibly in fifteen to twenty years. He urged the MTC to think out of the box and think of what else we can do during this time. The region is exploding; we cannot wait ten or fifteen years to create other transit opportunities. We have to do more than we have right now. Mayor Woods asked if a project does not reach Federal funding today, we need to examine what we can do to cut the project and make it work in some manner. Mayor McCrory told Mr. Muth again that MTC members need direction, and they are willing to take action without waiting a month to vote.

Mayor Tarte said that he did not think it was solely Mr. Muth's job to provide direction. Mayor Tarte said that he would suggest several directions this evening. He agreed with Mayor McCrory that the MTC needs to speak as a group; however, the document as written seems to suggest politely that there is a prioritization. Mayor Tarte said that there is no basis for that, and no input from the MTC to determine that. He wanted to suggest a deadline for who is going to be responsible to develop the criteria to determine the prioritization of the tasks that are going to be undertaken over the entire system, not just the Northeast and the North, but criteria that could be applied across all projects.

Mayor Tarte said that the only criteria he sees being applied at this time is whether a line qualifies for Federal money. He would like to recommend, once the criteria have been developed, that the MTC undertake a fact-based financial analysis and engage Campbell Harvey, a professor at Duke's Fuqua School of Business on economic development, and re-run the ridership models on all the lines, particularly the North, based on the new criteria. Mayor Tarte said that he would like to value-engineer the objective and outcome to qualify for New Starts, and bring it back down the line so it does qualify, whatever has to be done. Based on experts we are talking to, Mayor Tarte said, that can be achieved. Once we re-value-engineer the lines, part of the criteria is to ensure that what we do in the North line exercise does not jeopardize the Northeast line. He said the Northeast line may still be the top priority, but now, the perception is that we have stopped working. We have shoved the North line under the bus. Mayor Tarte reiterated that he would like for the MTC to do a fact-based financial analysis, and to have an independent expert, removed from the region, a nationally-known expert on documented value creation and economic value, use our staff

and maybe some of his graduate students to prioritize the selection criteria and apply that to have a broader base to determine the real ROI associated with various lines and timing. This would help us get more information to make a more informed and collective decision. Mayor Tarte felt this would help the MTC come up with a unanimous prioritization. Mayor Tarte said that currently, it feels like a popularity contest. He would prefer to go to the voters and say that there is a decision-making basis besides Federal funds. Federal funds are nice, but Mayor Tarte said that even after all the matching funds are taken into account, the North line is cheaper. Mayor Tarte said that he would be comfortable taking the message to the county that if the economics justify it, that we pay the taxes, the economic benefit, driven by having the North line running almost a decade sooner than the Northeast line. Mayor Tarte said that it is possible that the economic benefit of the North line could help pay for the Northeast line. Mayor Tarte said that in theory, if we have the economic engine of the North line, it may haul in the Northeast line three or four years sooner. Mayor Tarte said that he did not know if that could be done, but we have done no homework on this. Mayor McCrory added that we do not have a systematic approach or strategy on how to pull in Iredell County, and said that is an important part of whether the North Corridor line is successful or not.

Resolution: The MTC voted unanimously to defer action on the Legislative Agenda.

VII. Information Items

a. **Blue Line Extension Update**

Danny Rogers

Danny Rogers, Senior Project Manager for the BLE, said that tonight's presentation was one of the regular updates promised when the project entered this phase. April's new cost estimate took into account higher ridership than that calculated by the model that FTA dictated CATS use prior to the South Corridor's opening. That model indicated that we would only have about 10,000 riders per day in 2030, which was obviously not correct. We have worked on our model and developed new ridership figures, which the FTA let us use for planning purposes, but they were not going to let us use those figures for the New Starts rating. This would have resulted in a project submittal to FTA showing much higher costs without the new benefits. The submittal, based on the old model, was due in September. CATS received an extension from FTA, which enabled us to get a model update that we will submit next week. This means that with FTA cooperation, CATS will have a ridership model for next week's submittal that will give a cost effectiveness rating with which we are comfortable. Mr. Rogers said that the financial capacity is a more difficult situation. CATS' sales tax revenues are down, making it harder to show the financial capacity necessary to complete the project. With the South Corridor, the aim was a 50 percent Federal share, with 25 percent coming from the State and 25 percent coming from local funds. The Federal share actually wound up being closer to 42 or 43 percent. CATS thought it might be appropriate, considering the success of the South Corridor and the changes made in the BLE project to meet cost effectiveness due to the success of the South Corridor, to ask for a match better than 50 percent for the Northeast Corridor; however, FTA said that for this submittal, CATS needs to stay with the 50 percent figure, and continue to work with the FTA on the potential of increasing the Federal share in the future.

The New Starts program requires an update to the financial plan at regular intervals. To make the financial plan work, it looks as though CATS will have to extend the funding timeframe to show that we have the financial capacity for the project, which affects the

project's schedule. Another thing that may affect the schedule is NCDOT Rail Division's Charlotte Rail Improvement and Safety Project (CRISP). The new budget-constrained schedule spreads the cost out over three additional years, and shows the BLE as opening in 2019. If the economy does not recover as CATS hopes it will, then the opening date will probably be 2019. However, CATS is planning and designing the project such that we could begin construction and open in 2016 if the economy recovers at a faster rate than CATS' projections show. This is not changing our schedule now, but we have to make the adjustments to show in the financial plan.

All of the schedule adjustments affect the cost estimate, due to inflation and when money is actually spent. If CATS built the project now, the cost would be \$897 million, \$2 million less than CATS' April estimate, a positive result of the adjustments due to the CRISP project. Unfortunately, delaying the project increases cost, due to the impact of inflation. Under the current schedule of opening in 2016, the project will cost \$1.046 billion with a 3.25 percent escalation rate, which is the escalation rate suggested by the FTA. With a 5 percent escalation rate, the cost increases to \$1.135 billion. If the line opens in 2019, the cost increases to \$1.180 billion with 3.25 percent escalation. At an escalation rate of 5 percent, the cost for opening in 2016 is \$1.135 billion and \$1.336 billion for opening three years later, in 2019. The BLE project is still solidly in the medium cost effectiveness rating required to receive Federal funding.

CATS has made scope adjustments to the project in three main areas. One is at the Norfolk-Southern (NS) Intermodal Yard, where CATS is making an adjustment to the 27th Street Station by moving it to 25th Street. CATS is also proposing a Light Maintenance Facility in that area. In addition, we have made adjustments to the alignment and the 36th Street Station as a result of NCDOT Rail's CRISP project. Finally, in the University City area, CATS has made adjustments to the alignment along campus and has changed some of the intersections in University City and at I-485.

Mr. Rogers explained what part of the current NS Intermodal Yard will move as a result of its relocation to the Airport, and the tracks and rail yard that will remain. NS's relocation allows the City an opportunity to use the land for other purposes; however, land use is constrained by the fact that the rails will remain as a neighboring property. NCRR is not interested in having residential properties adjacent to its railroad. Mr. Rogers said that with the additional ridership projected now, CATS needs more vehicles than it originally anticipated, which will require additional storage. A Light Maintenance Facility (LMF) is a good fit at this location. When the South Corridor was planned, using the ridership figures dictated by the model, CATS determined we would need an additional 22 vehicles for the Northeast Corridor. The Vehicle Maintenance Facility and storage yard built on the South Corridor should have been enough for the extension under the old FTA models. Our plan was for a total of 32 vehicles. Unfortunately, CATS has already had to buy four more vehicles to meet the needs for the South Corridor, bringing us to 20 vehicles just for the South Corridor. When you add in current ridership projections for the Northeast Corridor, CATS will need a total of 46 vehicles to meet the projected capacity. The Vehicle Maintenance Facility on the South Corridor does not have space to store 46 vehicles. A maintenance facility at this location gives us the storage CATS needs for the Blue Line Extension, and the Blue Line. The proposed LMF will also give CATS the ability to expand later if CATS builds another line, such as the Southeast Corridor along Independence Blvd.

CATS is making an adjustment in the 25th Street area. Originally, the station was planned for 27th Street, adjacent to the Duke Power substation. However, the cost of relocating utilities was high, in addition to the rest of the work required at that site. CATS examined the potential for a station at 25th Street to avoid the cost of utilities relocation. That location provides the same or better development potential nearby. Mr. Rogers said that relocating the station from 27th Street to 25th Street will be an action item on next month's agenda. Mr. Brice asked about development in the area. Mr. Rogers explained that area currently housing trailers used by the rail at the Intermodal Yard is anticipated to redevelop eventually, and showed where development will be constrained by the rail tracks. CATS' proposed maintenance facility will be an effective buffer for the rail traffic.

Mr. Rogers said that working with NCDOT Rail to determine a suitable light rail alignment as part of the CRISP project was challenging work. CATS and NCDOT Rail have worked through the issues in this area, attempting to balance the needs of tracks for freight, high speed rail, and light rail. CATS now has an acceptable light rail alignment through the area. One of the good results from CRISP is that the 36th Street Station is moved back to the NoDa side of the freight tracks. The station will be located on a bridge above 36th Street, closer to what we feel will be a destination area. Moving the station closer to a destination area is a project improvement.

In the University City area, Mr. Rogers noted that CATS proposes to build a bridge over the Harris Boulevard and North Tryon Street Intersection. This is the third-busiest intersection in the City, so CATS will go with a grade separation there. At 15 percent design, CATS estimated that a grade separation meant a grade too steep to enter JM Keynes at-grade. CATS had proposed to close this intersection and re-route the traffic through JW Clay. The hospital was not pleased with that plan. On further study, CATS has imposed speed restrictions on the train in this area and increased the grade to get down more quickly and keep the JM Keynes intersection open. There is a fire station at Ken Hoffman, so that is another emergency area that needs to be kept open. Both the intersections at JM Keynes and Ken Hoffman were originally designed to be closed, but by imposing speed restrictions on the train, resulting in an 8 second delay, and making the bridge over Harris Boulevard steeper, CATS is able to keep both Ken Hoffman and JM Keynes open.

Mr. Rogers explained that the entrance onto the University has also been shifted. The University's Master Plan shows a building to be constructed adjacent to our alignment. They asked CATS to move our alignment further out so they could construct their building adjacent to an existing building. CATS worked with the University to make the adjustments requested. CATS originally planned a grade separation onto the campus. When CATS moved the alignment further out, we could eliminate the bridge forming the grade separation and save the project about \$2 million. So that adjustment is a win-win situation for both CATS and the University.

Mr. Rogers showed the current schedule. A fall 2016 opening is possible if funding is available, sales tax revenue recovers quickly and CATS is able to move quickly with construction. Mr. Rogers said that the 2019 date will occur if revenues do not recover quickly. Mr. Rogers reviewed current issues facing the project. The Sugar Creek grade separation is critical. That is an NCDOT project, to grade-separate the tracks with Sugar

Creek Road going under the tracks. Our plan is to build our track bridges adjacent to the freight track bridges. It will be a highly visible station, similar to Trade Street, but likely without quite as distinctive a canopy. CATS is working with the Airport and NS on the timing of the Intermodal Yard move. CATS is also working with NCDOT on the traffic analysis.

Discussion: Mayor Woods asked where CATS is in Preliminary Engineering (PE). Mr. Rogers said that CATS is working on the 30 percent design level, and will be moving to the 65% design level soon. CATS will finish PE in the spring of 2011. Mr. Rogers clarified the phases, saying that the 15 percent level takes longer to complete than the 30 percent level. CATS has completed the 15 percent level, and is halfway through the 30 percent level. Mr. Brice asked about the cost effectiveness (CE) rating, to confirm that if we had not been able to use current South Corridor figures, we would not have made the CE rating required for Federal funding. Mr. Rogers confirmed that was true, and said that the difference was large. In order to be funded, a project has to maintain a medium cost effectiveness rating, currently \$24.99. CATS is in the \$22 range with the new numbers. With the old numbers, CATS was over \$30, which meant that we were not eligible. Mr. Muth underscored that CATS has made significant progress with the FTA to help them agree that adjustments need to be made since our ridership exceeded expectations, and we will work with them to make further adjustments. Mr. Brice asked whether that calculation could transfer over to the commuter rail. Mr. Muth said that it probably would not vault the North Corridor into the medium range, but CATS wants to work with FTA on adjustments to the model and make sure that the benefits of additional ridership accrue to all corridors. Mayor Tarte asked why we were not working on the calculations now. Mr. Muth said that CATS has done some of the work in the past, but can re-examine the figures and share the information.

Mr. Brice asked what percentage of contingency was used. Mr. Rogers said that the overall contingency is 34 percent. There are different types of contingencies: allocated, unallocated, and overall contingency. Some parts of the estimate have 40 percent contingency, some 20 percent, depending on the certainty of those items and how much we know about the items. CATS has taken estimates from light rail projects around the country, as well as highway projects in this area since there are not other light rail projects in this state, and used escalation rates to 2009 dollars. CATS did not escalate the figures for 2008 and 2009 since prices did not rise in that period. That is the adjustment CATS made to the estimates.

Mr. Messera mentioned the overpass at the intersection of Tryon and Harris, and asked whether the state ever planned to change the configuration of the intersection from a surface intersection. Mr. Rogers said that the light rail bridge was being planned so that a compressed interchange could be built underneath it in the future. Mayor Woods asked about the likelihood that the cost figure numbers would change at later stages of engineering. Mr. Rogers stated that the numbers are likely to change. At this level, the uncertainties are high, and the contingencies are higher. As CATS goes further in the project, the contingencies will go down, and we will look for design items that will result in cost savings. For example, CATS assumes that we will need all the right of way to facilitate the project plus slopes and construction easements. As the project design advances, CATS may use walls instead of slopes at some locations, and will look for ways to reduce the cost and design the project to be more efficient. Mr. Muth commented that as we continue to update the cost, we will be able to isolate the areas of change and the reasons why,

whether the change is due to a change in the project scope or a change in the unit cost due to material costs. Mayor McCrory thanked Mr. Rogers and his team for an excellent presentation, and invited MTC members to give him a round of applause.

VIII. Interim Chief Executive Officer's Report

John Muth

Under the CEO's report, Mr. Muth discussed the following:

a. Ridership:

August ridership was down a little over 12 percent from August of last year. CATS had anticipated this trend, since fuel prices were very high in August of last year. LYNX ridership is still averaging around 14,500/day. Our target this year is to maintain the FY09 ridership of 26 million.

Discussion: None.

b. Upcoming items:

Mr. Muth said that MTC agenda items for next month include continued discussion of the legislative strategy, an action item on MTC bylaws relative to TSAC and CTAG attendance and term limits, and an action item on the BLE locally preferred alternative. Mr. Muth said that MTC members would find at their seats the monthly financial update. July sales tax revenue was down \$2.2 million from July of 2008, a 34 percent reduction. CATS we will continue to monitor sales tax revenue. Fare revenue is down about \$500,000 from budget. Fuel costs are tracking 22 percent below budget. CATS will continue to monitor this and take action as warranted.

Discussion: None.

IX. Other Business

- a. MTC members welcomed John Collett, a representative from NCDOT, to the MTC.
- b. Mr. Muth said that CATS submitted a \$300 million Transportation Investment Generating Economic Recovery (TIGER) program grant on September 15 for the North Corridor. CATS has learned we are recipients of a Transit Investment for Greenhouse Gas and Energy Reduction (TIGGER) stimulus grant program. CATS had submitted a request for \$3 million to upgrade diesel buses to hybrid electric buses. These funds will allow CATS to retire old diesel buses with hybrid electric buses. The FTA received 43 applications totaling over \$2 billion, so CATS did well to be awarded that grant.
- c. Mr. Muth informed MTC members that CATS is presenting its "budget road show" as we did last year, going out to the public this month and early next month to various areas. Mr. Muth will give an update in October on how the budget meetings went.
- d. Mayor McCrory stated again that some cities are using Federal stimulus funds for energy grants to fund transportation projects.

Resolution: Mayor McCrory motioned that City staff investigate what grants are available for transportation, and to direct the energy grants the City has recently received toward transportation. The motion was seconded and unanimously approved.

- e. Anthony Roberts asked if the MTC had made a decision on the name change of the North Corridor from the Purple Line to the Red Line. Mr. Muth said that there would be costs to change the Blue Line to the Green Line and that the time to decide that would be closer to the time that the BLE approached a Full Funding Grant Agreement. That would not be an issue with the North Corridor as no investment has been made on signage for that corridor. There were earlier discussions of under what circumstances name changes or color changes would occur on corridors. Mr. Messera said that he recalled a concern that all the documentation sent to FTA on the North Corridor referred to it as the Purple Line and that changing the line color might be confusing to FTA. Mr. Muth assured MTC members that CATS could talk FTA through the name change. Mayor Swain asked if the name change could be brought as an action item next month. Mr. Muth replied that the MTC could make the decision now.

Resolution: Anthony Roberts motioned to change the North Corridor's color from purple to red. Mayor Woods seconded the motion. The motion to change the name to the LYNX Red Line passed unanimously.

- f. Mayor Woods asked for confirmation on how to handle with the Governor the placement of the TIGER grant application for the North Corridor. Mayor McCrory asked for a motion to ask the Governor's office to put the Red Line second after the Yadkin River Bridge for a TIGER grant for North Carolina. Budd Berro, the Director of the Governor's Regional Office, agreed to follow up with the Governor. Mayor Woods questioned that there is no set amount delineated by state, and Mr. Muth confirmed that TIGER funds are not allocated by region. Mayor McCrory asked if we could verify whether the State can ask for more than one project. Mr. Berro agreed to check on that. Mayor McCrory said that the rule says the project has to be completed in four years, which may be an issue for the bridge project.

Resolution: MTC members asked Budd Berro, the Director of the Governor's Regional Office, to request that the Governor include the LYNX Red Line as the state's second priority, if the I-85 Corridor Bridge replacement over the Yadkin River is not eligible through the TIGER)program. He agreed to bring the request to the Governor.

- g. Mayor Swain said that she had the opportunity to speak with Secretary of Transportation Conti, who offered to speak with industrial leaders in her area about transit. She said that she thinks that we need to continue to involve our corporate leaders. Mayor McCrory said that if we want to get Iredell County, we need to work on it. Mayor Woods said that we need to reassign some staff-level people to work on that. Mayor McCrory said that he would work with Mr. Muth and try to have a strategy by next meeting. Mayor Tarte said that Norfolk-Southern is willing to be part of the strategy to involve Iredell County.

X. Public Comment

None.

XI. Adjourn

The meeting was adjourned at 7:10 pm by Mayor McCrory.

NEXT MTC MEETING: WEDNESDAY, OCTOBER 28, 2009, 5:30 PM